



EXECUTIVE CHAMBERS

HONOLULU

LINDA LINGLE
GOVERNOR

July 12, 2006

The Honorable Robert Bunda, President
and Members of the Senate
Twenty-Third State Legislature
State Capitol, Room 003
Honolulu, Hawaii 96813

Dear Mr. President and Members of the Senate:

Re: Senate Bill No. 2274 SD1 HD2 CD1

On July 11, 2006, Senate Bill 2274, entitled "A Bill for an Act Relating to the Employees' Retirement System" became law without my signature, pursuant to Section 16 of Article III of the Constitution of the State of Hawaii.

This bill would allow the directors of the offices of council services within the counties of Maui and Honolulu to participate as Class A members within the State Employees' Retirement System if they were employed prior to July 1, 2006.

The intent of this bill is to place the directors of the councils of these two counties on a par with the county clerks of Hawaii and Kauai who perform similar functions. While this objective is understandable, we must point out that Class A membership in the Employees' Retirement System has traditionally been reserved for high-level officials such as judges and elected leaders. Additionally, Class A membership is extended to those with jobs that subject them to possible bodily harm, such as narcotics investigators and public safety officers. The rationale is that these positions have a level of tenuousness and difficulty not found in other public positions.

My Administration remains concerned about the precedent this bill establishes in allowing legislatively favored personnel to become Class A contributory plan retirement system members while other senior personnel in the executive agencies are not allowed to receive this higher retirement benefit.

Further, it should be noted that the directors of the council have the option to join the hybrid retirement plan which allows them to accrue higher retirement benefits if they are willing to pay a portion of their earnings into the plan .

The Honorable Robert Bunda, President
and Members of the Senate
Page 2

For the foregoing reasons, I allowed Senate Bill No. 2274 to be come law as Act 309 effective July 11, 2006 without my signature.

Sincerely,



LINDA LINGLE